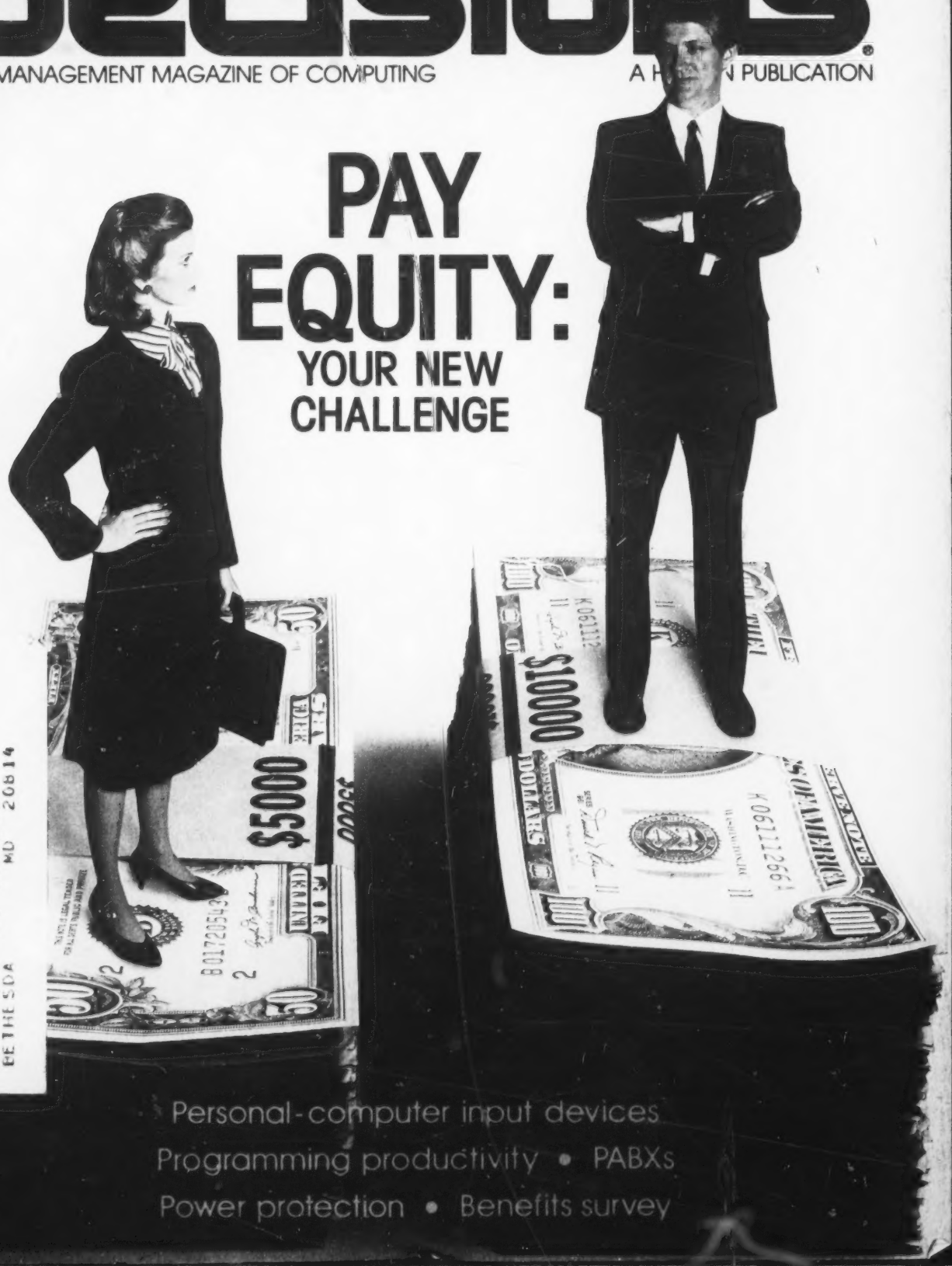
3/15/84
C4485-1

MARCH 1984

COMPUTER DECISIONS

THE MANAGEMENT MAGAZINE OF COMPUTING

A H[illegible]N PUBLICATION



PAY EQUITY: YOUR NEW CHALLENGE

CD014CODY-B-----CO MAY66
CODY B 45
CONGRESSNL INFO S SRI DIR
SRI ACQUISITIONS MM03383
452[illegible] L W HWY STE 800
BETHESDA MD 20814

Personal-computer input devices
Programming productivity • PABXs
Power protection • Benefits survey

COMPUTER DECISIONS

THE MANAGEMENT MAGAZINE OF COMPUTING

MARCH 1984

Volume 16 Number 3

Copies Printed: 170,777

Features

72 PABX: Working with analog, wishing for digital/ John Seaman *Digital PABXs offer snazzy features and benefits, but there's no reason to rush to implement them.*

90 Salary-status survey, part II—Benefits: Your hidden pay/ David Whieldon *If you're looking for an easy second income, you may be overlooking the one you're getting now.*

98 Meeting the pay-equity challenge/ Mary Miles *Organizations that tip their pay scales in favor of male employees may have to face the larger, more equitable scales of justice.*

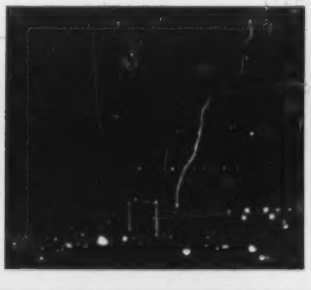
110 Building up your personal computers, part II—Input devices/ David R. Roman *Micros will now accept pictures and pen marks as input, and spoken words and finger pokes as commands.*

132 Shielding computers from power mishaps Part I—Mainframes and minis/ Jennifer E. Beaver *It's your responsibility to ensure against power fluctuations and outages.* Part II—Personal computers/ Martin Lasden *How much should you pay to defend your organization's personal computers against power demons?*

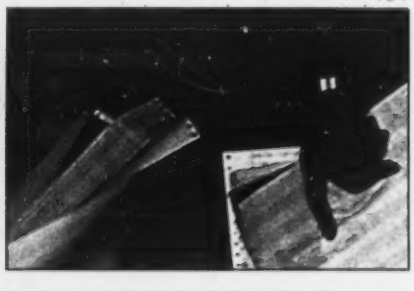
164 To raise productivity . . . Work smarter, not harder/ David Kull *New software-development tools are helping companies save dollars by saving effort.*

98

132



164



Columns / Departments

10 INSIGHT

12 NEWS & COMMENT

38 PERSONAL COMPUTING
Hiring a consultant

44 SNYDERS ON SOFTWARE
Conversions

55 DATA COMMUNICATIONS
Modems

63 FOLLOWING THE LEADERS
Outlook for software vendors

66 OFFICE AUTOMATION
Reading OA advertising

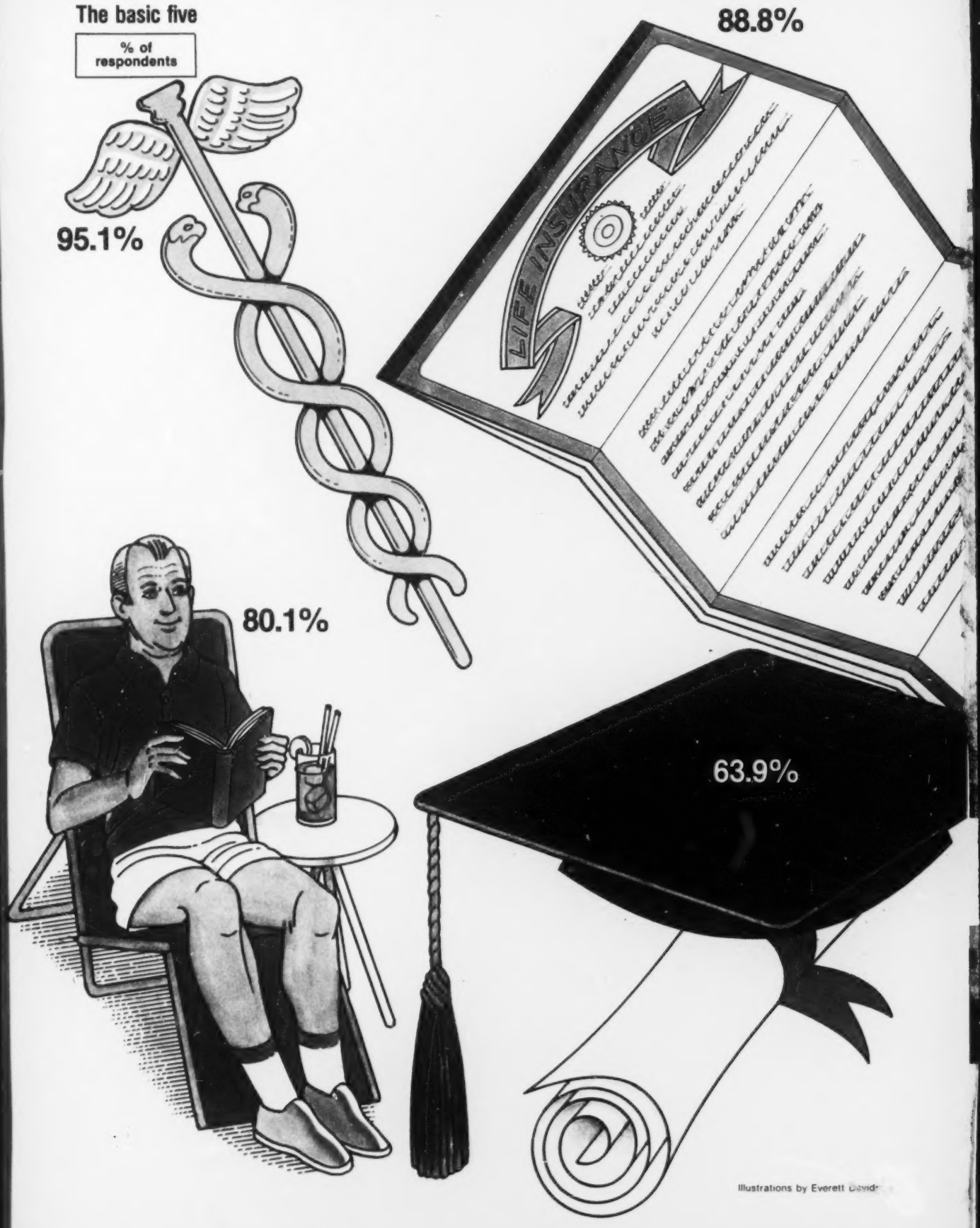
68 YOUR CAREER
Managing undesirable employees

192 NEW PRODUCTS

200 SUPERMARKET

200 ADVERTISER INDEX

COVER PHOTO: Bill Oliwa



Illustrations by Everett David

SALARY-STATUS SURVEY, PART II

BENEFIT$: YOUR HIDDEN PAY

If you're looking for an easy second income, you may be overlooking the one you're getting right now.

by David Whieldon, Senior Editor

You don't have to be moonlighting to say that you're picking up a few extra dollars every week. You're probably receiving extra "pay" in a package of benefits and perquisites (perks) that your organization provides in addition to your salary. (Perquisites are privileges that go with managerial rank, and that often translate into genuine financial assets.) The value of these benefits can be substantial: According to compensation experts, it may equal up to 40 percent of the dollar figure you call your income.

Figures from *Computer Decisions'* fifth annual salary-status survey indicate that benefits and perks for dp executives are much the same as they were a year ago. They're very good, but a lack of marked growth indicates the continuing effects of the last recession. For instance, as of mid-August, 95.1 percent of managers and executives had medical-insurance plans, as compared to 94.1 percent a year earlier. And 2.8 percent of respondents enjoyed the privilege of organization-subsidized legal services, a tally that diverges only slightly from the 3.2 percent of last year.

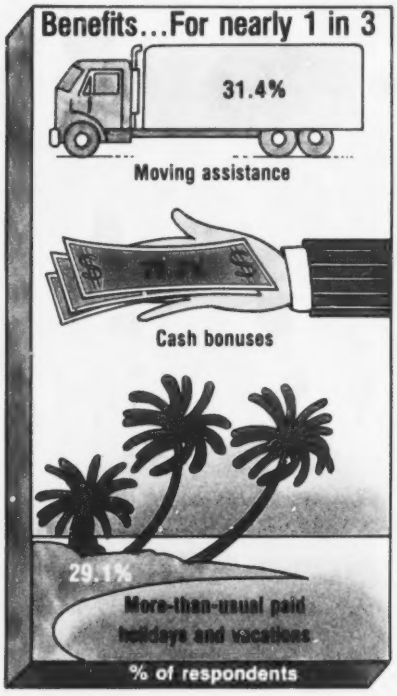
Using medical insurance as a starting point, you can quickly compare your benefits to those that most of the 1,529 survey respondents receive. Second-ranking was life insurance: Nearly nine out of 10 have that benefit. Close behind came pension plans, a benefit for four out of five. A bit lower on the scale were education assistance, which nearly two-thirds of respondents receive, and dental insurance, a benefit for three-fifths.

The implication is clear: Those doing well when it comes to benefits are getting at least these basic five, and probably some others. Over the past three years, the majority of survey respondents have consistently indicated that these core benefits are a part of their packages. And the proportion of respondents receiving each has hardly changed, showing that managements generally have not been extending pension, insurance, and education benefits to those who didn't have them before.

Your chances of getting more of the foremost five increase, of course,

Benefits Survey

(Continued from page 91)



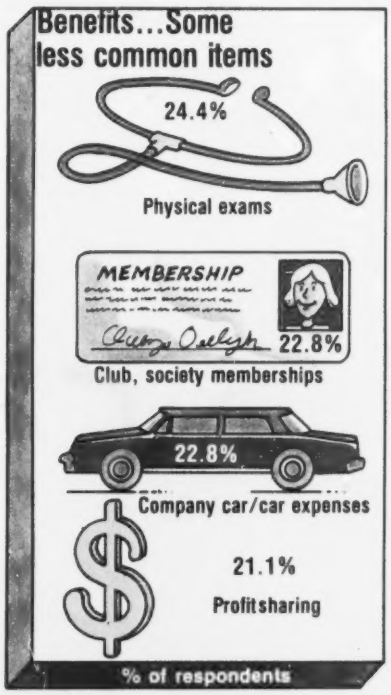
when your salary increases. With medical and life insurance, pension plans, and education assistance, the likelihood of getting more goes up only modestly. But dental insurance is an exception: Of MIS/dp managers with salaries of $25,001 to $30,000, 46.1 percent have dental plans, whereas 67.7 percent of those earning $50,001 to $60,000 have them. There are also marked increases in six other benefit categories when salaries go up.

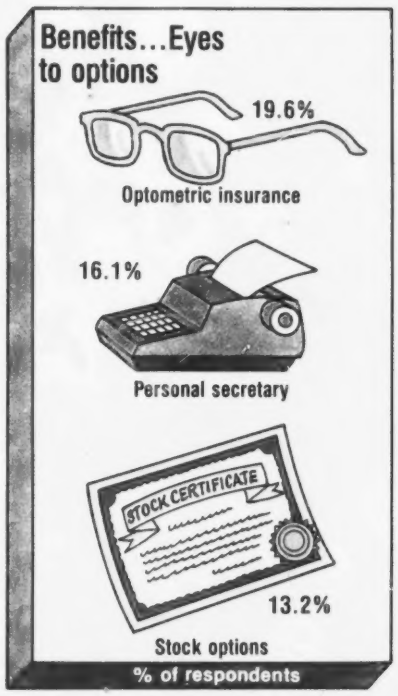
Some organizations have started trimming the basic benefits because they are costly. One trend, according to Hay Group, a compensation-research organization in Philadelphia, is to raise deductibles on health insurance from $100 to $150 or $200, transferring a larger share of the cost to employees. Nearly 40 percent of the companies that Hay surveyed reported taking such action.

W. David Wessinger, vice president of compensation services at Organization Resources Counselors Inc., New York, also sees many companies cutting health-care costs and explains ways some go about it.

"One way some companies cut costs," he says, "is by freezing the amount they pay for health care, and having employees contribute above that level. Another way is by arranging with providers to reduce costs. For example, a corporation makes a volume-discount agreement with a hospital, and tells employees that if they use that hospital, the company will pay 80 percent of costs. If you use a different hospital, the company pays only 70 percent. A third way," Wessinger continues, "is by paying 100 percent of the cost for elective surgery done outside the hospital, and only 80 percent if an employee is admitted. By providing these alternatives, companies are telling employees to be aware of costs."

The relatively fixed status of benefits over the last couple of years should come as no surprise. "Benefits don't change nearly as rapidly as do salaries," comments Steven Langer, who heads Abbott, Langer & Associates, a management-consulting and compensation-research company in Crete, IL. (Langer and his staff conducted *Computer Decisions'* latest salary-status survey.)





For some respondents—those in certain economic sectors and areas of the country—benefits have always been sparse. One manager in a mountain state writes that "benefits in government jobs are poor compared to those in private industry." An assistant dp manager in the wholesale/retail trade marks off only reimbursement for car expenses as a perk, and adds, "That's it!" Even two managers in manufacturing, where benefits are usually generous, claim they get none.

Whither perks?

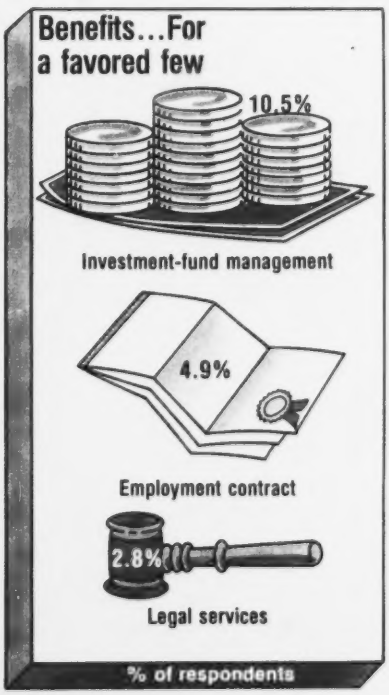
The privileges on the chart "Benefits, perks that grow with salaries," which accompanies this article, may indicate higher status. You score extra career points if you share in any of them. You get even more points if the benefits are generous.

Employer-paid moving expenses, cash bonuses, and more than the usual number of paid holidays or vacations are the most commonly received perks among all execs; about 30 percent reported getting them. (One

(Continued from page 92)

MIS manager with an insurance carrier says he works a four-day week.) About one manager or executive in four gets free physical exams, club or society memberships, or a company car or car-expense reimbursement. Profit sharing and optometric insurance go to approximately 20 percent.

Profit sharing holds a lot of appeal for one MIS/dp director, James B. Savitz, of Howard Publications in Carlsbad, CA. (Howard's newspaper and TV operations produce more than $100 million annually in sales.) Savitz's dp center, which is treated as a regulated utility, produces profits in which Savitz shares—and that's an arrangement he relishes. "An employee in management is motivated in a different way than others in the organization," he writes. "That person could make a million-dollar difference in the bottom line. I'm compensated according to how much responsibility I can handle and how efficient my operation is. Not how big, but how efficient. With this kind of profit sharing, I should come out way ahead of my peers who have run-of-the-mill benefits."



What's happening with salaries?

Part I of "Salary-status survey," published in February, showed modest but steady increases in direct compensation. Here are a few highlights from that report:

- The median salary for a top MIS/dp officer was $40,000; pay for a typical dp manager was $33,280.
- Nearly four-fifths of respondents received pay increases between Aug. 15, 1982 and Aug. 15, 1983, the majority without changing jobs.
- Increases typically amounted to 7.8 percent of salary. More than three-fourths of respondents received raises of 10.9 percent.
- Salaries for top MIS/dp officers in banking and finance were the highest (the median was $46,620); followed by manufacturing, processing, and extracting; health services; merchandising; government; and education.
- Top MIS/dp officers in the Pacific states earn the most (the median was $42,426), and those in the mountain states the least ($36,310), when salaries of respondents working in urban areas are included.
- Altogether, MIS/dp managers consider their salaries slightly below par when comparing them to salaries of other managers with comparable responsibilities.
- In the final analysis, respondents say, they're more satisfied than dissatisfied with their jobs.

Only one MIS/dp manager in six has a personal secretary. Even fewer get stock options, investment-fund management, employment contracts, or free legal services.

As with the basic five, the percentage of managers enjoying these perks has changed little from the previous year. "Perks are very important," says W. David Wessinger. "But there's not much of a trend toward expanding them."

What about cash bonuses? As indicated in the salary portion of the survey, cash bonuses amounted to relatively little. For the top MIS/dp officer, a bonus and other cash benefits typically added just under $1,000 to direct income; for the dp manager, $720. (These are the median, or middle, figures reported by respondents.)

Cash bonuses are also listed with perks and benefits in the accompanying charts. Generally, 29.3 percent of respondents received them this past year; 22 percent of those making between $25,001 and $30,000 received them, and 47.7 percent making between $50,001 and $60,000 received them. These percentages have varied very little over the past few years.

Most of the benefits and perks listed are familiar. But some respondents enjoy a few very special and not-so-commonplace items.

- "Unlimited free air travel"—Dp manager at a municipal airport in Maryland
- "Terminal installed in my house at company expense"—South Dakotan in charge of dp
- "Free lunches"—MIS manager in Iowa
- "Matching, tax-deferred savings"—MIS manager for New England manufacturer
- "Forty percent discount on clothing"—Dp manager for California merchandiser
- "Tax-return preparation"—Dp manager for Colorado financial institution
- And what many managers and executives yearn for, at least in bad moments: "Very low pressure"—Dp manager in a nonprofit organization in Philadelphia

(Continued on page 96)

(Continued from page 94)

How the survey was done

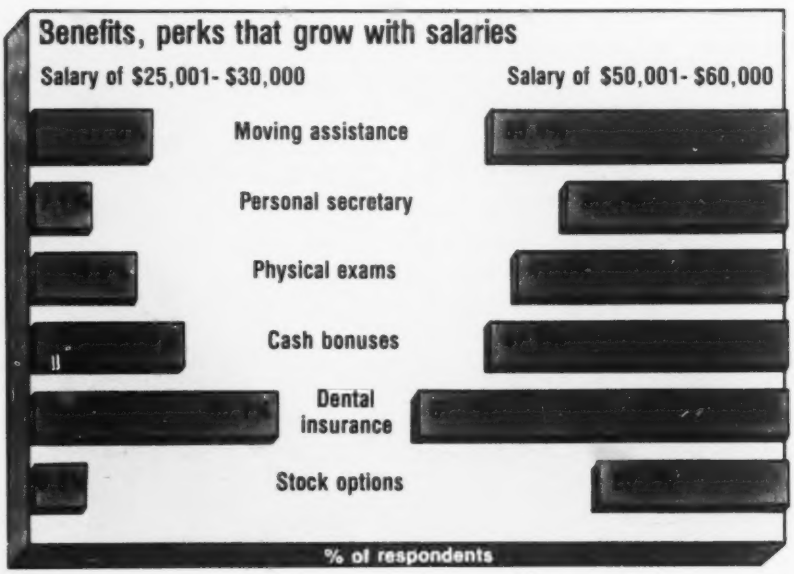
Readers of *Computer Decisions* returned 1,529 personal questionnaires out of 20,007 that were mailed in August 1983. That's the largest batch of questionnaires sent out in five years of surveying, as well as the largest response. Data from the returns have been incorporated into parts I and II of this article. (Part I appeared in last month's issue.)

The survey was made more comprehensive due to a collaboration between *Computer Decisions* and Abbott, Langer & Associates, a personnel, compensation, and psychological consulting company in Crete, IL. "The survey is the most exhaustive in MIS/dp," says Steven Langer, who heads the organization. "In the statistical field, the size of the sample is important, because the number of responses affects reliability and validity."

A personal questionnaire and survey data sheet on salaries and demographics went to each MIS/dp manager randomly selected from *Computer Decisions'* circulation list. (These managers made up 45 percent of *Computer Decisions'* circulation, which was 120,000 at the time.) Recipients hailed from all 50 states and Puerto Rico. Not all who returned the questionnaires answered all the questions, but most did.

Findings for both parts of the survey indicate medians—the middle figure in a lowest-to-highest array. Statisticians generally regard the median as the most accurate indicator of "central tendency"—and a better measure than average or mean, which can be more easily distorted by a few very low or very high figures.

Only a portion of the salary data was published last month in Part I. The complete report, which includes salaries for 35 different jobs, from top MIS/dp officer to junior key-entry operator, over seven regions and 25 metropolitan areas, is available for $195. The 346-page document, entitled "Compensation in the MIS/dp field," can be ordered from Abbott, Langer & Associates, 548 First St., Crete, IL 60417. The company's phone number is (312) 672-4200.



Nine out of 10 respondents say they'd move to another organization if the incentives were good enough. A higher salary would do the trick for 83.5 percent; bonuses for 43.3 percent; profit sharing for 42.4 percent. Working conditions count for something, too—three out of five say they're looking for greater challenges.

About one-third of the managers say that company cars or car allowances might entice them to move. One-third also checked off improved retirement plans, and one-fourth, increased medical-dental benefits. Finally, 22.2 percent say that reimbursement for moving expenses would influence them.

Though education assistance is a common benefit, and 63.9 percent of managers report having it, several others write it in as something they want and for which they'd move. "An employment contract and additional vacation days and holidays" are the desires, along with nine other items, of an assistant dp manager in Houston who earns between $60,000 and $70,000 a year. Perhaps the most unusual motivator—and it's a benefit in her eyes—is added by an MIS manager who makes well over $30,000 yearly. "Being a female under 30," she writes, "I'd look for an organization with more women in an established management network."

How do respondents see their own benefits, perquisites, and incentives in comparison to those of others with similar responsibilities? The typical response is that their benefits are about the same as other managers'. And when asked if they're content with their jobs, 54.7 percent indicate that they're either somewhat content or quite content.

It's obvious that for almost all MIS/dp managers, benefits and perks are important elements in the compensation picture. So it's to your advantage to figure out exactly what you have, and to negotiate for more when the opportunity arises. Sometimes, you can improve your earning power without actually getting a boost in salary. □